

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6573

BILL NUMBER: SB 204

NOTE PREPARED: Dec 21, 2014

BILL AMENDED:

SUBJECT: Use of Telecommunications Devices While Driving.

FIRST AUTHOR: Sen. Miller Pete

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires a person to use hands-free or voice-operated technology to place or receive a telephone call while operating a moving motor vehicle unless the device is used to call 911 to report a bona fide emergency. The bill also revises the term "telecommunications device" for purposes related to motor vehicle operation.

Effective Date: July 1, 2015.

Explanation of State Expenditures: This bill could increase law enforcement workload to issue additional citations for distracted driving. Increases in workload will depend on how many additional traffic stops law enforcement officials make to enforce distracted driving prohibitions and if there is any displacement effect this bill may have on other issued citations.

Explanation of State Revenues: *Summary:* The General Fund could receive a maximum additional \$750,000 per year from citations issued for distracted driving. This amount could vary depending on distracted driving enforcement as well as any displacement effect this new prohibition may have on other citations issued by law enforcement officials.

Additional Information:

The state of Illinois currently has distracted driving laws that prohibit motorists from placing or receiving a telephone call on a mobile device unless equipped with hands-free or voice operated-technology. For the first six months of FY 2014, Illinois law enforcement officials issued approximately 5,200 citations for

distracted driving (10,400 annualized). After adjusting for the difference in state populations, an estimated 5,000 citations for distracted driving could be issued in Indiana per year.

Indiana first prohibited texting while driving during FY 2011. For FY 2014, approximately 469,000 citations were issued by law enforcement officials, of which 307 citations were for texting while driving. The addition of a new criminal penalty for distracted driving may not necessarily increase state revenue if enforcement of the bill's prohibition creates a displacement effect and results in a decrease in the enforcement of other criminal penalties. Any increase in state revenue from fines for distracted driving will depend on whether the new prohibition results in a net increase of issued citations.

The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. The average judgment per citation that might occur is unknown. If the average judgment per citation was \$150, then if 5,000 annual citations for distracted driving are issued, the General Fund could receive \$750,000 per year in citation revenue. It should be noted that the net increase in General Fund revenue could be lower than this estimate due to (1) actual judgment amounts and (2) any displacement effect this bill may have on other citations issued by law enforcement.

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: Indiana State Police.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Governor's Highway Safety Association; FY 2014 citations data.

Fiscal Analyst: Bill Brumbach, 232-9559.